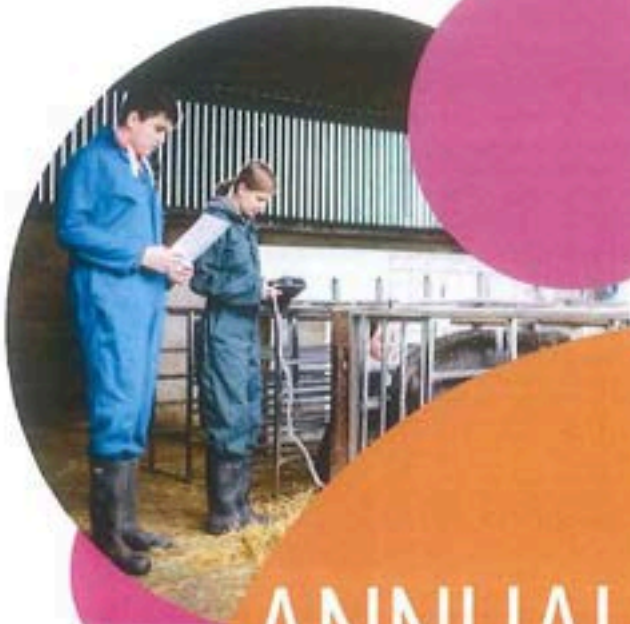




THE
BEDFORD
COLLEGE
GROUP



ANNUAL REPORT & FINANCIAL STATEMENTS

For the Year
Ending 31 July
2023



THE
BEDFORD
COLLEGE
GROUP



QAA

IK Quality Assured



European Union
Institution
Quality Partner

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Key Management Personnel, Board of Governors and Professional Advisers

Board of Governors

A full list of Governors is given on page 18-20 of these financial statements. Mrs Rachel Nicol acted as Clerk to the Corporation throughout the period.

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2022/23:

Ian Pryce - Principal and CEO; Accounting officer
Patricia Jones – Deputy Chief Executive - Finance
Emma Lowe – Deputy Chief Executive - Quality
Karen Campbell – Principal Bedford College
Robin Webber-Jones – Principal Tresham College (appointed 01 November 2022)
Sarah Mortimer – Interim Principal Central Bedfordshire College (from 01 March 2023)
Sarah Baxter – Executive Director of Sales and Marketing
Caroline Biddle - Executive Director of Human Resources
Sheraz Amin – Executive Director of Digital Transformation
Debbie Houghton – Executive Director of Apprenticeships

Principal and Registered Office

Cauldwell Street
Bedford
Bedfordshire
MK42 9AH

Professional advisers

Financial statements auditors and reporting accountants

MHA, 2 London Wall Place, London, EC2Y 5AU

Internal auditors

Icca Education Training and Skills Limited (No 06638638), 11th Floor, McLaren House
46 Priory Queensway, Birmingham, B4 7LR

Bankers

Barclays Bank, 111 High Street, Bedford, MK40 1NJ

Solicitors

Stone King LLP, 3rd Floor, Bateman House, 82 – 88 Hills Road, Cambridge, CB2 1LQ

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

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BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report

OBJECTIVE AND STRATEGY

The Governing body present their report and audited financial statements for the year ended 31 July 2023.

Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Bedford College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The Corporation was incorporated as Bedford College.

Group Companies

Bedford College has three wholly owned subsidiaries, Bedford College Services Ltd, Bedford College Professional Services Ltd and Aston Recruitment and Training Ltd, (incorporated July 2009, November 2015 and June 2004 respectively), the accounts of which are consolidated into this report.

Our Purpose

Over the past 12 months the College has undertaken a series activities with our stakeholder communities to establish current and desired cultures. This work has enabled the College to establish a new five-year strategic plan with intent, vigor and values that our stakeholders hold dear. Our new purpose is

To help individuals, communities and society flourish through education by raising aspirations and reducing inequality to create a sustainable future.

Our Vision

To be the best and most authoritative post-16 educator in the South East Midlands.

Our Values

We put the learner at the heart of all we do and our values reflect the manner in which we set out to achieve this:

- **Student centred** – At our heart is always doing what is best for our students. We consider students in all of our decision making to create positive outcomes and memorable experiences for every student.
- **Educational excellence** – We promote educational excellence by delivering programmes that challenge our students to achieve their ambitions.
- **Teamwork** – We are one team who by working together can achieve great things, respecting the opinion and valuing the contribution each of us make.
- **Continuous improvement** – We challenge ourselves to always do better by trying new things, sharing knowledge, reflecting on practice and learning from others.
- **Caring** – We care about the wellbeing of our staff, our students, our community and wider society, creating an environment built on trust where we listen, engage with and support each other.
- **Inclusive** – We celebrate differences and diversity, recognizing that we can learn from each other.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Our Strategic Objectives to 2027

The College has a strategic plan for the period 2022-2027, underpinned by education and resource plans. The Corporation monitors the performance of the strategic plan by using the following three strategic themes:

- Educational and Community Leadership
- Educational Sustainability
- Financial Sustainability

Sustainability and climate action aims

The College's has developed a strategy to positively respond to climate change by reducing our impact on the environment, helping to boost the economy through the delivery of green skills and inspiring our students and staff to tackle climate action to achieve our goal to be a net zero organisation and a leader in sustainability practices by 2042.

The College's Sustainability and Climate Action aims are to

- To demonstrate clear leadership and governance in tackling climate change to foster a culture where staff and students care about sustainability and continuously improve their own and collective practices.
- To embed climate and sustainability education into the curriculum and wider enhancement activities to enable young people and adults to develop the knowledge, skills, values and attitudes needed to tackle climate change, and prepare them for green jobs and the changing skillset required in their chosen careers.
- To protect and enhance the natural environment by minimising our environmental impact from our estate and infrastructure.
- To develop and advance practices and habits for sustainable procurement and responsible use of resources throughout the supply chain.
- To become a leader and key influencer on sustainability matters within our internal and external communities and the wider FE.

Overview of 2022-2023

The year has been characterised by the successful merger with Central Bedfordshire College and substantial construction projects in Bedford and Corby. This merger, representing an approximate 25% increase in our institutional size, constituted a considerable endeavor. Rigorous targets for integration were established, mirroring our approach to previous mergers with Shuttleworth, BTG, and Tresham.

The initial five months subsequent to the merger have demonstrated success, with effective leadership and management by the Corporation and the senior team. The primary focus during this period has been on the enhancement of teaching and learning, yielding positive outcomes.

Moreover, the College has undertaken both its largest and second-largest capital projects to date in the 2022-23 fiscal year. The refurbishment of the Tower Block in Bedford, partially financed by funds from the Bedford Town Fund and the ESFA, stands as a pinnacle among these initiatives, poised to impact the learning experiences of numerous students in Bedfordshire.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Overview of 2022-2023 (continued)

The second, marginally smaller project, Corby Sixth Form, funded by the Corby Town Fund, has successfully established a new Sixth Form College in Corby. Anticipated to have a significant effect on learners in North Northamptonshire, this project adds to the transformative endeavors of the institution.

In April 2023, the Corporation appointed Yiannis Koursis OBE as the new Chief Executive, signifying a substantial leadership transition for the institution. Yiannis, with over 17 years of experience, has been instrumental in transforming the lives of students, having held senior roles in Further Education across various UK colleges. Scheduled to commence his role in November 2023, Yiannis's wealth of experience positions him well to contribute to the continued success and growth of the institution.

Other key achievements across the Group for the year are:

- All merger actions completed successfully and to time
- Finalists in the Association of Colleges Beacon Award for Diversity
- Winner of 4 Prizes at the Further Education Marketing Awards, including Best of the Best.
- Continued outstanding financial health

Resources

The Group has a five-year financial plan that demonstrates sound financial health over the life of this plan. The plan is intended to maintain financial resilience in the organisation enabling the College to resource the strategic plan whilst maintaining the Education, Skills Funding Agency financial health grade of 'Outstanding'.

The Group has various resources that it can deploy in pursuit of its strategic objectives including:

- £191m of fixed assets, £22m of current assets and £105m of net assets, including cash and cash equivalents of £11m
- Employs 1,017 people (expressed as full-time equivalents) of whom 630 are within teaching areas.
- 9 freehold campuses and a number of leasehold sites that enable students to train in an industry specific environment

The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and external relationships. The College enrolled 16,919 students.

The College student population includes:

- 7,635 16 to 18-year-old students
- 1,683 Apprentices
- 749 Higher education students
- 6,852 Adult learners

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Stakeholders

In line with other Colleges and with universities, Bedford College has many stakeholders; it recognises the importance of these relationships and engages in regular communication. Stakeholders include:

- its current, future and past students
- its staff and their trade unions
- public sector funding bodies
- the employers it works with
- local authorities
- government offices
- local enterprise partnerships (LEPs) and the employers they work with.
- the local community
- other FE and HE institutions
- local schools
- the professional bodies in the sectors where it works

Development and Performance

Financial Performance Indicators

The College remains right at the top end of the sector for financial performance, assessing its financial objectives by monitoring 8 financial indicators. These indicators (below) are measured monthly and are discussed at Executive, the Resources Committee and the Corporation Board.

| Key Performance Indicators for the Group | 2022/23 Outturn (As per the Financial Statements) | 2021/22 Outturn | 2022/23 Increase / (Reduction) year on year Movement |
|--|--|--------------------|--|
| Income | £86.57m | £61.13m | £25.41m |
| Operating surplus for the year (Before disposals and gain on Acquisition) | £0.59m | £0.20m | £0.39m |
| Cash and cash equivalents | £11.42 m | £7.30 m | £4.08m |
| Staff costs as a % of income (incl. subcontract income, excl. gain on acquisition) | 61% | 63% | (2%) |
| Education sector EBITDA (Earnings before interest, tax, depreciation, amortisation) as a % of income | 8.27% | 10.73% | (2.46%) |
| Adjusted current ratio | 1.79 | 2.43 | (0.64) |
| Borrowing as a % of income | 12.97% | 15.23% | 22.26% |
| Financial Health Grading | <i>Outstanding</i> | <i>Outstanding</i> | |

The financial indicators above for year ended July 2023 show that the College has performed well.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Financial Results

The Group generated an operating surplus in the year of £16.314m (£0.204m in 2021/22) with a total income of £86.5m (£61.1m in 2021/22)

The College has three subsidiary companies, Bedford College Services Ltd (BCS Ltd), Bedford College Professional Services Ltd (BCPS Ltd) and Aston Recruitment and Training Ltd. The principal activity of BCS Ltd is the supply of catering and venue services, whilst BCPS provides the supply of professional and administrative services whereas Aston Recruitment and Training LTD specialise in Apprenticeship training. In the current year, the surplus generated by BCS Ltd was £nil for BCS Ltd (£80k surplus in 2021/22), £nil for BCPS Ltd (£nil in 2021/22) and the deficit generated by Aston Recruitment and Training Ltd was £60k (£31k deficit in 2021/22).

Developments

The College's ongoing commitment to its capital programme is evident through additions totaling £23.4 million during the year.

A significant component of this investment is the £12.6 million initiative aimed at establishing a Health, Science, and Digital Skills Centre at the Riverside Campus. This project, part of the seven major initiatives under the Bedford Town Deal, received a substantial £3 million boost from a government-funded scheme, demonstrating a collaborative effort to enhance educational infrastructure.

Strategically directed, the substantial investment focuses on renovating and reconfiguring the existing facility, with a specific emphasis on upgrading laboratories and IT suites. The envisioned improvements extend beyond the immediate educational context, aiming to transform the St Mary's Gardens area, enhancing accessibility to Riverside Bedford and the wider Bedford town Centre.

Foreseen outcomes of this initiative include the generation of an additional 250 full-time education students annually, contributing to the expansion of educational opportunities. Simultaneously, the project seeks to augment facilities for the existing 4,000 learners at the Bedford campus, fostering a comprehensive and conducive learning environment.

This venture is not solely quantitative; it is positioned as a dynamic skills and education development. The investment serves as a pivotal support mechanism for Bedford College's curriculum, facilitating its extension into higher education and advanced levels. This strategic approach is designed to empower existing students to progress further and attain elevated levels of proficiency in areas identified by employers as having substantive demand.

Shifting focus to another significant development, the majority of preparations for the £9.6 million state-of-the-art campus, The Corby Sixth Form, situated in the heart of Corby town Centre, have been executed with a commitment to achieving net zero carbon in operation.

This commitment aligns with the institution's dedication to sustainability, reflecting contemporary environmental considerations. Anticipated to commence operations in September 2023, The Corby Sixth Form is poised for further development to accommodate up to 660 students per academic year, offering a comprehensive range of subjects, including A Level subjects and Diploma courses in areas such as business, health, and social care.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Reserves

We recognise the need to maintain cash reserves, providing stability in times of disruption, enable the Group to adjust its cost base or meet unforeseen costs. Our reserves enable the Group to deliver its:

- mission
- programs
- employment
- ongoing operations
- a source of internal funds for organisational priorities
- unplanned events
- essential building repair and responding to unforeseen difficulties
- planned improvement
- programme opportunity

Our management of reserves is guided by the preparation of a rolling 5-year financial plan which takes account of market, demographic and funding movements.

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Sources of income

There is significant reliance on ESFA recurrent grants; in 2022/23 Further Education funding bodies provided 78% of the College's total income (74% in 2021/22).

Cash flows and liquidity

There has been an increase in cash, cash equivalents and investments of £4.08m (2021/22 outflow of £3.34m) demonstrated in the Consolidated Statement of Cash flows.

The acquisition of Tresham College included the novation of 3 loans to Bedford College on the 1 August 2017 and as at 31 July 2023 the value of the outstanding loans amounted to £8.45m.

Treasury policies and objectives

The College has a treasury management policy covering the management of the College's cash flows, its banking, money market transactions, the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998 requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2022 to 31 July 2023, the College paid 80.54% (2021/22 87%) of its invoices within 30 days.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Student achievements

Overall timely achievement for Education and Training qualification groups is currently 81.1% which places Bedford College 4.2% below the most recent (2021-22) national rate for General FE and Tertiary Colleges. This rate is 1.5% above the 79.6% overall achievement rate of last year.

| Level Group | Number of leavers 21/22 | Number of leavers 22/23 | Achievement rate % 21/22 | Achievement rate % 22/23 | Difference from last year | National Achievement rate % (21/22) | Difference in National rate % compared to 22/23 |
|--------------------|-------------------------|-------------------------|--------------------------|--------------------------|---------------------------|-------------------------------------|---|
| 16-18 All Levels | 14,218 | 15,044 | 77.8% | 80.2% | +2.4% | 84.7% | -4.5% |
| 19+ All Levels | 9,007 | 10,159 | 82.4% | 82.4% | -0% | 86% | -3.6% |
| All Age and Levels | 23,225 | 25,203 | 79.6% | 81.1% | +1.5% | 85.3% | -4.2% |

The college has identified a change in the profile of the 16 to 18 learners and the impact COVID has had on their personal and academic development. This has resulted in the academic ability being impacted as well as an increase in issues around mental health and behaviours and skills.

Curriculum developments

The College has continued to develop a wide range of provision which has placed the College as one of the largest providers in the area. Our strategic plan focuses on quality and meeting the needs of the local community. The Employer Engagement Strategy has continued to develop the transactional and transformational relationships with employers who continue to support developing the skills and knowledge of the students.

As a large provider of General Further Education, the College has been successful in delivering a range of alternatively branded educational offers which meet the needs of the community. A key focus of the College is preparing students for the next stage of their lives, whether this is higher education or being work ready. Having clear insight through to higher education or employment, encouraging our students to have high aspirations are important parts of the College's activity.

The College recognises that students have better opportunities for employment when they achieve higher levels of study, to support this progression routes are built in to ease students through to achieving higher level qualifications. The work experience policy further enhances opportunities to do this either via their study programme. The growth in offer for T Levels and HTQs ensures high quality industry placements remains the focus of the college. The College has been recognized for its positive work in these areas. Additionally, its work with partners such as the Prince's Trust and JCP has resulted in growth in contracts, and has received both local and national recognition for the work to support people into employment.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Curriculum developments (continued)

Continuing to improve the quality of teaching, learning and assessment is of utmost priority for the college. There are increased opportunities to share good practice and resources between teaching staff across the Group as well as a drive on continued professional development. The College encourages the use of research and scholarly work, supporting both its staff to participate and other institutions in post-compulsory education. We aim to share the excellent work that takes place in our sector in a way that is accessible and readable and hope to inspire others to participate and take control of their practice and professionalism.

Future developments

The Corporation agreed the new 5-year Strategic Plan 2022 to 2027. This includes values of which all staff have identified as important to them as well as consultation on the overall strategy.

As of 01 August 2022, the college restructured the college senior leadership team to ensure a robust and consistent approach to the Quality of Educations, leadership and management. 3 principal posts for Northamptonshire, Bedford and Central Bedfordshire.

The new strategic plan shows growth over the life of the plan and resulted in a successful merger with Central Bedfordshire College in March 2023, increasing the income of the group from £50 million to £80 million

The introduction of T Levels in Agriculture and land-based sector has resulted in a successful £4million refurbishment of the Kingshill Farm, which is ongoing.

The refurbishment of the Tower Block at Cauldwell Street opened to the new students in September 2023 and will be complete by November 2023

In partnership with Corby Town Council the College is planning to open a sixth form college in the heart of Corby. Funding granted from the Town Deal will support the redevelopment of a dilapidated building, bringing vibrancy, footfall and learning into the town centre. The Corby Sixth Form is being developed with the objectives of achieving zero carbon and is on track to open in September 2023.

Public Benefit

Bedford College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 18-21.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to the local community. The College provides courses without charge to young people, to those who are unemployed and adults taking English and Maths courses. The College adjusts its courses to meet the needs of local employers, providing skills and workplace training to apprentices.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Public Benefit (continued)

The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background. We focus on skills needed in our community and the skills needed for our learners to get good jobs, increase prospects and improve social mobility.

We also acknowledge that our buildings and grounds are seen as community assets by our local residents. We take this seriously and want to ensure we are good neighbors; our sites are well maintained and that our community can feel proud of their local college.

Principal risks and uncertainties

The College continues to operate a system of internal control, including financial, operational and risk management which is designed to protect the College's learners, staff, assets and reputation.

Based on the strategic plan, the Executive operating as the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College

Key risks are maintained at the College level within the Risk Register which is reviewed termly by the Audit Committee. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The Risk Register also includes those risks associated with future developments.

The Internal Audit Programme reflects key risks drawn from the risk register and the furtherance of strategic aims identified in the Strategic Plan.

Outlined below is a description of the principal risks that may affect the College. Mitigating actions are in place to manage the effects of the risks. Other factors besides those listed below may also adversely affect the College.

- Risk of loss or lack of funding body income
- Risk of poor success or achievement performance measures
- Risk of changes to funding body data rules

These risks are mitigated through diversification of funding, ensuring the College is rigorous in delivering high quality education and training and that rigorous dialogue is undertaken with funding body representatives

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Streamlined Energy and Carbon Reporting

The Bedford College Group SECR Greenhouse Gas Emissions are presented according to guidance from BEIS and the Energy Managers Association. Figures have been collated using Government Gas carbon emission multipliers, and applied to College data streams with the scopes (1, 2 and 3) below.

- Scope 1 – direct emissions from fuels burnt from owned or controlled sources.
- Scope 2 – indirect emissions from use electricity
- Scope 3 – indirect emissions arising from upstream (supply) activities, or downstream (waste management) activities.

The college's greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard and the 2021 UK Government's Conversion Factors for Company Reporting are as follows:

| UK Greenhouse gas emissions and energy use data for the period | 1 August 2022 to 31 July 2023 | 1 August 2021 to 31 July 2022 |
|--|-------------------------------|-------------------------------|
| Energy Consumption used to calculate emissions (kWh) | 14,004,741 | 13,951,171 |
| <u>Scope 1 emissions in metric tonnes CO2e</u> | | |
| Gas consumption | 1,256 | 1,348 |
| Heating Oil | 313 | 285 |
| College Vehicles | 32 | 31 |
| Total | 1,601 | 1,664 |
| <u>Scope 2 emissions in metric tonnes CO2e</u> | | |
| Grid Electricity | 1,461 | 1,274 |
| <u>Scope 3 emissions in metric tonnes CO2e</u> | | |
| Business travel in employee-owned vehicles | 25 | 74 |
| Supply water | 5 | 4 |
| Waste water | 5 | 7 |
| Total | 35 | 85 |
| Total gross emissions in metric tonnes CO2 | 3,097 | 3,023 |

Intensity Ratio

| | | |
|---|------|------|
| Metric tonnes CO2e per student/FTE/staff member | 3.05 | 3.33 |
|---|------|------|

Intensity ratio

The chosen intensity measurement ratio is the average number of persons employed by the group during the year, as described as full-time equivalents.

It should be noted that the increase in emissions reflect the merger with Central Bedfordshire College.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College.

| Numbers of employees who were relevant period | FTE employee number |
|---|---------------------|
| 6 | 1,031.9 |

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 1,025.9 |
| 1-50% | 6 |

| | |
|---|-----------|
| Total cost of facility time | £5,856.95 |
| Total pay bill | £41.556m |
| Percentage of total bill spent on facility time | 0.0001% |
| Time spent on paid trade union activities as a percentage of total paid facility time | 100% |

Gender pay gap reporting

The Bedford College Group is fully committed to equality and diversity and employs people according to the requirements of the role, not according to gender and in 2020-21, 69% of successful candidates identified as female. The overall gender split at The Bedford College Group is 37% males and 63% females, which mirrors the national picture of the FE workforce (SIR 2018-2019 National figures for FE Colleges).

In April 2017 legislation was introduced that requires all organisations who employ 250 or more people to report their gender pay gap based on either a snapshot of the workforce on the 31st March or 5th April each year.

The gender pay gap shows the percentage difference between the average salaries of women and men across the entire workforce, irrespective of role. It should be noted that the gender pay gap is different from Equal Pay which measures whether there is a difference in what men and women in specific equivalent roles are paid.

At the snapshot date of 31 March 2022, the statutory regulations applied to Bedford College and Tresham College as a merged organisation. At the snapshot date of 5 April 2022, the statutory regulations also applied to Bedford College Professional Services Ltd. The headcount for Bedford College Services Ltd remains below 250.

| Year ending 31 March 2022 | | |
|---|----------------------------|---------------------------------------|
| Entity | Bedford College | Bedford College Professional Services |
| Mean gender pay gap | 3% | -7.3% |
| Median gender pay gap | 7.1% | 9.6% |
| Mean bonus gender pay gap | -37.5% | -7.7% |
| Median gender bonus gap | 0% | 0% |
| Proportion of males/females receiving a bonus | 50% (male) 50% (female) | 0% (male) 0 (female) |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

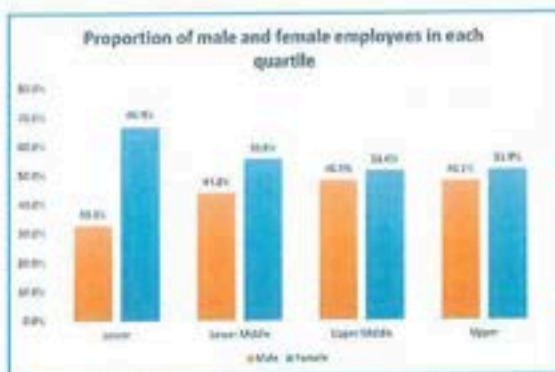
(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Strategic Report (continued)

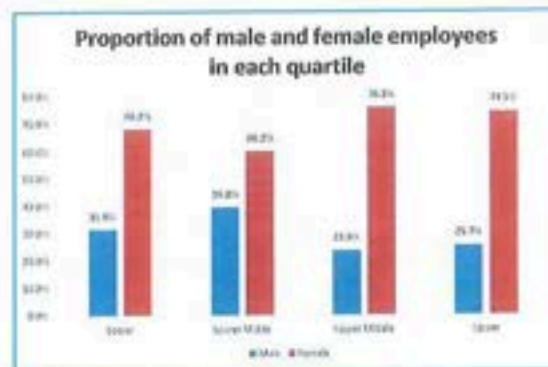
Gender pay gap reporting (continued)

The graphs below show the proportion of males and females in each quartile pay band. The data has been calculated using the methodology set out in the Equalities Act 2010 (Gender Pay Gap Information) Regulations 2017.

Bedford College



Bedford College Professional Services



Equal opportunities

The Bedford College Group are committed to supporting and promoting equity of opportunity in all aspects of college life. We encourage everyone to embrace the differences they encounter here. We are home to people from many cultures and backgrounds; and a range of beliefs and identities.

Our college is strongly opposed to discrimination, unfairness and injustice. We believe in treating everyone fairly and celebrating our differences. We do not tolerate language or behaviour that makes others uncomfortable. This includes being treated differently because of any of the 'nine protected characteristics' of the Equality Act (2010) which are protected by law from discrimination (age, disability, race, sex, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief, and sexual orientation). Alongside the Equality Act (2010) we have taken into consideration our commitment to the Public Sector Equality Duty (2011).

The College's Equality and Diversity Policy is monitored and implemented on a planned basis, and is published on the College's intranet and website. The College has developed a Religion and Belief policy, guidance for supporting trans and gender non-conforming students and staff, an LGBTQ+ Inclusion Action Plan and a Race Equality Action Plan.

The College's Single Equality Scheme outlines the key priorities in terms of equality and diversity which are underpinned by the Single Equality Scheme Action Plan. The College's Equality, Diversity and Inclusion Committee, which is chaired by the Deputy CEO and has cross-college representation, is involved in the implementation and monitoring of the impact of the Single Equality Scheme Action Plan. The Committee is supported by Diversity Ambassadors, Unity Forum and four staff diversity forums (Disability Advisory Group, LGBTQ+ Staff Forum, Race Equality Forum, and Women's Network). The College publishes an Equality and Diversity Report annually to ensure compliance with all relevant equality legislation. The College undertakes equality impact assessments on its college wide policies and processes. Members of the Executive Teams act as Executive Sponsors for disability, LGBTQ+, ethnicity and women.

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Strategic Report (continued)

Equal opportunities (continued)

The College has an Equality and Diversity training programme which is mandatory for all staff. Refresher training and updates are carried out as part of staff's professional development and all-staff events such as the annual staff conference.

The Bedford College Group is a 'Disability Confident' employer and has committed to the principles and objectives of this standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College subscribes to an independent assistance programme which is free to all staff and offers support on a wide range of work, family and personal issues. In-house counselling support is available to students and staff.

The College employs specialists to support students with learning difficulties and/or disabilities, such as an Autism coordinator, Deaf and Hard of Hearing coordinator, British Sign Language Communicators, and Student Support Assistants. Specialist equipment including assistive technology is available for use by students and staff.

Personal Tutors in each curriculum area deliver individual and group tutorials aimed to develop students' personal, social and employability skills, and provide support with a range of issues, for instance, when a student is transitioning. The enhancement programme supports students' personal development via health and wellbeing, staying safe and equality and diversity information and awareness. The College co-ordinates student support groups such as LGBTQIA+, Transform, and Race and Culture.

Disclosure of information to auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Corporation on 04 December 2023 and signed on its behalf by:



Allan Schofield
Chair
04 December 2023

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Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

The college endeavours to conduct its business:

1. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code")

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2023. This opinion is based on an internal review of compliance with the Code reported to the Governance Committee on 8 November 2023. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it took full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, formally adopted in December 2015 with the review carried out against the Code as amended in September 2021.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements

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The Corporation

The members who served on the Corporation Board during the year and up to the date of signature of this report were as follows:

| Name | Date of Appointment | Term of Office | Date of Retirement / Resignation | Status of Appointment | Committees Served | Attendance at meetings in 2022-2023 ¹ |
|-------------------------|--|--|----------------------------------|-----------------------|---|--|
| Mr A Schofield Chair | Re-appointed August 2018 (extensions granted for exceptional circumstances to 31 March 23 and then 31 March 24 | Re-appointed Chair 1 August 2023 for a 1-year period to 31 July 2024 | | External | Quality, Standards & Achievement Governance Remuneration Resources | 93% |
| Mrs C Barr | 1 March 2023 | To 31 July 2026 | | | Quality, Standards & Achievement | 60% |
| Mr D Buckley | August 2020 | 4 years | | External | Audit | 100% |
| Mr J Butcher | 1 November 2023 | To July 2027 | | External | n/a | n/a |
| Ms S De-Leonardis | Appointed July 2019 | 4 years | 31.03.23 | External | Quality, Standards & Achievement | 57% |
| Mr R Dimbleby | Re appointed July 2022 | 4 years to 31 July 2026 | | External | Quality, Standards & Achievement Governance Remuneration | 100% |
| Mr T Dove-Wallington | 26 September 2023 | To July 2027 | | External | | n/a |
| Ms S Ennis | 1 August 2023 | 1 year | | Student | n/a | n/a |
| Mr L Ferebee | August 2021 | 4 years | | External | Audit | 92% |

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| Name | Date of Appointment | Term of Office | Date of Retirement / Resignation | Status of Appointment | Committees Served | Attendance at meetings in 2022-2023 ¹ |
|-----------------|-------------------------|-------------------------|---------------------------------------|-----------------------|---|--|
| Mr J Gallacher | August 2022 | 2 years | | Staff | Quality, Standards & Achievement | 100% |
| Mr M Glass | 28 October 2022 | 4 years to 31.07.26 | | Co-opted member | Audit | 100% |
| Ms Y Jones | 1 August 2023 | 1 year | | Student | n/a | n/a |
| Ms D Kalinowska | 18 May 2022 | 4 years to 31 July 2026 | 24 November 2022 as external Governor | External | Quality, Standards & Achievement | 33% |
| | 24 November 2022 | 4 years | 06.03.23 as a co-opted member | Co-opted | Quality, Standards & Achievement | |
| Mr M Lawson | Re-appointed July 2020 | 4 years | 07.12.22 | External | Audit to 31.07.22 Governance to 31.07.22 Remuneration to 31.07.22 | 73% |
| Mr F Mir | 1 March 2023 | To 31 July 2026 | | | | 83% |
| Ms N Nazir | 1 August 2023 | 2 year | | Staff | Resources | N/A |
| Mr I Pryce | Appointed December 1998 | - | | Accounting Officer | Resources Quality, Standards & Achievement | 100% |

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| Name | Date of Appointment | Term of Office | Date of Retirement / Resignation | Status of Appointment | Committees Served | Attendance at meetings in 2022-2023 ¹ |
|----------------------------|--|------------------------------------|----------------------------------|-----------------------|--|--|
| Mr R Randhawa | Appointed 20.01.22 | To 31.07.25 | | External | Audit | 50% |
| Mrs S Selwood | Re appointed August 2019 Vice Chair 1 August 2021 to 31 July 2023 August 2023 Further re-appointment for 1 year under exceptional circumstances | 1 year exceptional to 31 July 2024 | | External | Quality, Standards & Achievement Governance Remuneration | 100% |
| Mr A Simmons Vice Chair | Appointed 21.06.21 | To 31.07.25 | | External | Resources | 92% |
| Mr V Tailor | Appointed August 2019 | 4 years | 31.07.23 | External | Resources Governance | 30% |
| Ms A Wagstaff | Re appointed for 1 year from August 2022 | 1 year | 31.07.23 | Staff | Resources | 50% |
| Mr C Wragg | Re-appointed for a second 4 year term of office from 1 August 2023 | 4 years | | External | Resources Governance | 92% |

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| Name | Date of Appointment | Term of Office | Date of Retirement / Resignation | Status of Appointment | Committees Served | Attendance at meetings in 2022-2023 ¹ |
|-------------------|---------------------|----------------|----------------------------------|-----------------------|-------------------|--|
| Ms E Mustoe | 24 November 2022 | 1 year | 10.05.23 | Student | Resources | 40% |
| Ms Emily Parnwell | 24 November 2022 | 1 year | 08.06.23 | Student | QSA | 75% |
| Ms A Wright | 1 March 2023 | To 31.07.26 | | | Resources | 40% |

Mrs. R Nicol, Group Director of Governance supports the board and the role replaces the traditional "Clerk to the Corporation" role.

¹ This reflects attendance at Board and Committee meetings but does not reflect attendance at additional events such as Awards Evenings, development days, working groups, college committees such as those on safeguarding, equality and diversity and health & safety.

NB From 2023-2024 the Quality, Standards & Achievement Committee will be known as Curriculum & Quality Committee (Group)

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Statement of Corporate Governance and Internal Control (continued)

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets at least once a term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Audit, Resources, Quality, Standards and Achievement (from 2023-2024 to be known as Group Curriculum & Quality Committee), Remuneration, and Governance. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.bedford.ac.uk or, from the Group Director of Governance at Bedford College, Cauldwell Street, Bedford, MK42 9AH.

The Group Director of Governance maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Group Director of Governance, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Group Director of Governance is a matter for the Corporation as a whole.

The Group Director of Governance is a senior post holder and holds various relevant qualifications. The post holder is a non-practising solicitor (having a Law degree and post graduate diploma in legal practice), is a member of the Institute of Chartered Accountants England and Wales and is a Fellow of the Chartered Governance Institute.

The Board ensures that the Group Director of Governance receives appropriate development throughout the year including attendance at relevant governance conferences as well as internal training. During the year the post holder completed the Education & Training Foundation Governance Professionals' leadership programme. She was also appointed as a National Leader of Governance by the Department for Education in March 2023. The post holder has attended and presented at the AOC Governance Conference, attended training on external board evaluations and undertaken a range of CPD activities, including webinars and project work, relevant to her various professional qualifications. The Board ensures that the Director of Governance also works with the sector to help develop Governance through acting as vice chair to the AOC East Governance Professionals network.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Governors have access to a board portal for formal meeting papers, induction, training and development material, including links to webinars. In addition to mandatory safeguarding training governors are given access to AOC briefings, induction sessions, group specific briefings and the ETF Governor Development Programme.

During 2022-2023 governors have also accessed a range of networking and development activities including the AOC Governance Conference, regional events, networks and governor inductions. The Corporation annual Strategy/Development Day in October 2022 included an unconscious bias training session with an external facilitator. Internal briefings included topics such as funding in FE, local skills and qualification reform.

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Statement of Corporate Governance and Internal Control (continued)

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that the role of the Chair and Accounting Officer are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance Committee, consisting of at least 4 members of the Corporation, which is responsible for the selection and nomination of any new external members for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years. The Corporation monitors terms of office and succession planning. Following adoption of the AOC Code of Good Governance for English Colleges external members are initially appointed for a 4 year period with the potential for a re-appointment for a further 4 year period. The Corporation has committed to only extend terms of office beyond 8 years in exceptional circumstances.

The Memorandum and Articles of Bedford College Services (BCS), Bedford College Professional Services (BCPS) and Aston Recruitment and Training (Aston) provide for appointments to the relevant Boards to be approved by the Corporation.

Bedford College Academies Trust Limited and The Silverstone Academy Trust Limited are Trust arrangements for schools of which Bedford College is a Member. The terms of reference of both trusts provide for member appointments to their respective boards to be approved by the Bedford College Corporation.

Corporation Performance

The performance of the Corporation and its committees is considered annually in line with the agreed Self Evaluation Strategy to ensure continued improvement of the value added by this strategic support. As part of the Board's assessment of their performance the Board considers a range of evaluation mechanisms including numeric and narrative assessment against competency-based statements, committee reviews against terms of reference and one to one governor conversations at intervals providing for narrative feedback on areas such as the quality of papers, appropriateness of commitment required, training and development needs and personal ambitions.

Committees reflect on their performance and terms of reference each year with the Audit Committee completing a numerically scored questionnaire measuring their effectiveness against their terms of reference.

A Chair's review was also carried out in 2022-2023.

In 2022-2023 an internal self-assessment review was carried out in the form of a questionnaire assessing effectiveness and inclusion regarding key decisions and progress against the governance action plan which had been produced following the 2021-2022 assessment against the ETF maturity matrix. Key themes from that assessment had included; Stakeholder focus, skills and environmental, social and economic impact. The results of the 2022-2023 evaluation were presented to the full board on 20 June 2023 and the Governance Action Plan monitored by the Governance Committee is updated to take account of the feedback provided.

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Statement of Corporate Governance and Internal Control (continued)

Identified and emerging themes are picked up in committee work plans, appropriate to the terms of reference in place.

The Corporation acknowledges the external Ofsted inspection grading in September 2019 for Leadership and Governance as good overall, considering some areas as outstanding whilst seeking to identify areas for continuing improvement.

Remuneration Committee

Throughout the year ending 31 July 2023 the College's Remuneration Committee comprised six members of the Corporation. The Committee, for the year ended 31 July 2023 had delegated authority from the Corporation to consider and make recommendations to the Corporation in respect of the remuneration, terms and conditions of employment and objectives of the Accounting Officer and other senior post-holders. Recommendations in respect of remuneration for the year ended 31 July 2023 were made to and approved by the Corporation on 7 December 2022 following a meeting of the Committee on 11 November 2022 with further recommendations approved by the Corporation on 23 March 2023.

Details of remuneration for the year ended 31 July 2023 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprised between 4 and 5 members during the year to 31 July 2023, (excluding the Accounting Officer) Membership included 1 co-opted member. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented. The Audit Committee also advises the Corporation on the appointment of internal and financial statement auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

Governance Committee

The Governance Committee consisted of 7 members throughout the year (excluding the Accounting Officer) and operates in accordance with the written terms of reference approved by the Corporation.

The Committee meets at least twice annually and is responsible for advising the Corporation on the appointment of external governors and on matters concerning the smooth running and best practice in corporate governance of the Corporation such as the size of the Board, the Board's own rules and procedures, training for governors, evaluation of the Corporation and the appointment of office holders.

In the year ended 31 July 2023 the Committee met twice with a further full board meeting for discussion of proposals regarding the governance structure.

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Statement of Corporate Governance and Internal Control (continued)

Resources Committee

The Resources Committee consisted of between 6 and 7 members throughout the year (including the Accounting Officer) and operates in accordance with the written terms of reference approved by the Corporation.

The Committee meets at least termly and is responsible for monitoring the College's finance, accommodation and capital expenditure, advising the Board on solvency and the safeguarding of assets, approving capital expenditure, write offs (under delegated authority), people management and development policies and procedures; ensuring compliance with employment legislation and good practice and overseeing policies and work promoting the safety and well-being of staff.

Quality, Standards and Achievement Committee

The Quality, Standards and Achievement Committee consisted of between 7 and 8 members during the year (including the Accounting Officer) and operates in accordance with the terms of reference approved by the Corporation.

The Committee meets at least once a term and is responsible for briefing the Board on the quality of education provision at the College, the student experience (including safeguarding and equality and diversity), and to have oversight of quality processes.

As part of the governance structure review this Committee from August 2023 will be known as The Group Curriculum & Quality Committee with local groups established to support oversight of this area of work.

Internal control

Scope of responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Chief Executive officer ("CEO"), as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum/Financial Agreement between Bedford College and the funding bodies. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bedford College for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

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Statement of Corporate Governance and Internal Control (continued)

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

Bedford College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At a minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Responsibilities under funding agreements

The Corporation receives assurance on compliance with the contractual responsibilities under the College's funding agreement through a detailed annual work plan and allocation of relevant responsibilities for scrutiny to committees under their terms of reference. Compliance for funding purposes is included in a comprehensive internal audit programme and key risks are monitored both by the Audit Committee and the full board at each meeting.

Statement from the audit committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place.

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Statement of Corporate Governance and Internal Control (continued)

The specific areas of internal audit work reviewed by the audit committee in 2022/2023 and up to the date of the approval of the financial statements, including the level of assurance provided where available, are:

- ESFA mock funding audit (substantial)
- Data security infrastructure (reasonable)
- HR safer recruitment (reasonable)
- HR & payroll (substantial)
- Subcontracting standards assurance review (advisory only)
- Apprenticeship achievement (substantial)
- KPI dashboard (substantial)

One high priority was identified across the internal audit programme in the HR Safer Recruitment audit, relating to monitoring of the Single Central record. The Committee received assurance that this had been implemented. Four medium recommendations from the data security audit focusing on policies and continuity and recovery plans were also confirmed as implemented. The Audit Committee receives a report at each meeting summarising progress against all recommendations.

Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements and regularity auditors, in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2023.

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Statement of Corporate Governance and Internal Control (continued)

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets"*.

Approved by order of the members of the Corporation on 4 December 2023 and signed on its behalf by:

Signed



Allan Schofield
Chair
04 December 2023

Signed



Ian Pryce
Accounting Officer
04 December 2023

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Statement of College's Regularity, Propriety and Compliance

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the College's grant funding agreement and contracts with the ESFA. As part of our consideration, we have had due regard to the grant funding agreements and contracts with the ESFA.

We confirm, on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contract with the ESFA.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the ESFA.

Signed



Allan Schofield
Chair
04 December 2023

Signed



Ian Pryce
Accounting Officer
04 December 2023

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Statement of Responsibilities of the Members of the Corporation

The members of the Corporation, as charity trustees, are required to present audited financial statements for each financial year.

Within the terms and conditions of the College's grant funding agreements and contracts with the ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the College and its surplus of income over expenditure for that period.

In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the Corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate.
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The Corporation is also required to prepare a Strategic Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of the College website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them.

In addition, they are responsible for ensuring that funds from the ESFA, and any other public funds, are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Statement of Responsibilities of the Members of the Corporation

Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA are not put at risk.

Approved by order of the members of the Corporation on 4 December 2023 and signed on its behalf by:

Allan Schofield
Chair
04 December 2023

A handwritten signature in black ink, appearing to be 'AS', written over a circular stamp or seal.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Independent Auditor's Report to the Corporation of Bedford College Year ended 31 July 2023

Opinion

We have audited the financial statements of the Corporation of Bedford College (the 'College') and its subsidiaries (the 'Group') for the year ended 31 July 2023 which comprise the consolidated and college statement of comprehensive income and expenditure, the consolidated and college statement of changes in reserves, the consolidated and college balance sheet, the consolidated statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the Group and College's affairs as at 31 July 2023 and of its Group and College surplus of expenditure over income for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Independent Auditor's Report to the Corporation of Bedford College Year ended 31 July 2023 (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Opinions on other matters prescribed in the Office for Students' Accounts Direction

In our opinion, in all material respects

- funds from whatever source administered by the corporation for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the Office for Students and the Education and Skills Funding Agency have been applied in accordance with the relevant terms and conditions.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The corporation's grant and fee income, as disclosed in note number 2 to the financial statements, has been materially misstated; or
- The corporation's expenditure on access and participation activities for the financial year, as disclosed in note number 7a to the financial statements, has been materially misstated

We have no matters to report arising from this responsibility.

Responsibilities of the Corporation of Bedford College

As explained more fully in the Statement of Corporation Responsibilities on pages 30-31, the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for assessing the Group's and the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends to liquidate the Group or the College or to cease operations, or have no realistic alternative but to do so.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Independent Auditor's Report to the Corporation of Bedford College Year ended 31 July 2023 (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the Corporation's solicitors around actual and potential litigation and claims;
- Enquiry of Corporation staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

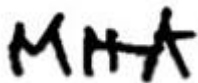
BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Independent Auditor's Report to the Corporation of Bedford College Year ended 31 July 2023 (continued)

Use of our report

This report is made solely to the Governing Body, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body as a body, for our audit work, for this report, or for the opinions we have formed

The logo for MHA, consisting of the letters 'MHA' in a stylized, bold, black font. The 'M' and 'H' are connected, and the 'A' is slightly separated to the right.

MHA

Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 20/12/2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

To: The Corporation of Bedford College and Secretary of State for Education acting through the Education and Skills Funding Agency ("the ESFA")

In accordance with the terms of our engagement letter dated 01 November 2022 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Bedford College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

This report is made solely to the corporation of Bedford College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Bedford College and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the corporation of Bedford College and ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Corporation of Bedford College and the reporting accountant

The corporation of Bedford College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by ESFA. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Reporting accountant's assurance report on regularity (continued)

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion

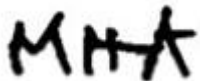
Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the College's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of material irregularity and impropriety across all of the College's activities;
- Further testing and review of self-assessment questionnaire including inquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA

Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 20/12/2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Consolidated Statements of Comprehensive Income

| | Notes | Year ended 31 July | | Year ended 31 July | |
|--|-------|--------------------|---------------|--------------------|---------------|
| | | 2023 | 2023 | 2022 | 2022 |
| | | Group | College | Group | College |
| | | £'000 | £'000 | £'000 | £'000 |
| INCOME | | | | | |
| Funding body grants | 2 | 53,187 | 53,187 | 45,048 | 45,048 |
| Tuition fees and education contracts | 3 | 11,364 | 11,313 | 12,229 | 12,181 |
| Other income | 4 | 3,452 | 2,630 | 3,497 | 2,256 |
| Gain on acquisition | 26 | 18,407 | 18,407 | - | - |
| Endowment and investment income | 5 | 161 | 373 | 358 | 741 |
| Total income | | 86,571 | 85,910 | 61,132 | 60,226 |
| EXPENDITURE | | | | | |
| Staff costs | 6 | 41,556 | 40,331 | 38,677 | 37,451 |
| Other operating expenses | 7 | 18,783 | 19,288 | 15,325 | 15,707 |
| Depreciation | 11&12 | 6,628 | 6,621 | 5,729 | 5,716 |
| Interest and other finance costs | 8 | 605 | 605 | 1,231 | 1,231 |
| Total expenditure | | 67,572 | 66,845 | 60,962 | 60,105 |
| Surplus before other gains and losses | | 18,999 | 19,065 | 170 | 121 |
| Profit/(Loss) on disposal of assets | 12 | (2,685) | (2,691) | 34 | 34 |
| Surplus before tax | | 16,314 | 16,374 | 204 | 155 |
| Taxation | 9 | - | - | - | - |
| Surplus for the year | | 16,314 | 16,374 | 204 | 155 |
| Unrealised surplus on revaluation | 12 | 475 | 475 | - | - |
| Actuarial gain/(loss) in respect of pensions schemes | 23 | 3,596 | 3,596 | 38,120 | 38,120 |
| Total Comprehensive Income for the year | | 20,385 | 20,445 | 38,324 | 38,275 |

The statement of comprehensive income is in respect of continuing activities

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Consolidated and College Statement of Changes in Reserves

| | Income and Expenditure account | Revaluation reserve | Total |
|---|--------------------------------------|------------------------|----------------|
| | £'000 | £'000 | £'000 |
| Group | | | |
| Balance at 1st August 2021 | 31,962 | 14,088 | 46,050 |
| Surplus/(deficit) from the income and expenditure account | 204 | - | 204 |
| Other comprehensive income | 38,120 | - | 38,120 |
| Transfers between revaluation and income and expenditure reserves | 129 | (129) | - |
| Balance at 31st July 2022 | 70,415 | 13,959 | 84,374 |
| Surplus/(deficit) from the income and expenditure account | 16,314 | - | 16,314 |
| Other comprehensive income | 3,596 | - | 3,596 |
| Unrealised surplus on revaluation | 475 | - | 475 |
| Transfers between revaluation and income and expenditure reserves | 1,846 | (1,846) | - |
| Total comprehensive income for the year | 22,230 | (1,846) | 20,384 |
| Balance at 31st July 2023 | 92,645 | 12,113 | 104,758 |
| College | | | |
| Balance at 1st August 2021 | 31,888 | 14,088 | 45,976 |
| Surplus/(deficit) from the income and expenditure account | 155 | - | 155 |
| Other comprehensive income | 38,120 | - | 38,120 |
| Transfers between revaluation and income and expenditure reserves | 129 | (129) | - |
| Balance at 31st July 2022 | 70,291 | 13,959 | 84,250 |
| Surplus/(deficit) from the income and expenditure account | 16,374 | - | 16,374 |
| Other comprehensive income | 3,596 | - | 3,596 |
| Unrealised surplus on revaluation | 475 | - | 475 |
| Transfers between revaluation and income and expenditure reserves | 1,846 | (1,846) | - |
| Total comprehensive income for the year | 22,290 | (1,846) | 20,444 |
| Balance at 31 July 2023 | 92,582 | 12,113 | 104,695 |


BEDFORD COLLEGE CONSOLIDATED ACCOUNTS


(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Balance sheets as at 31 July

| | Notes | Group | College | Group | College |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2023 | 2023 | 2022 | 2022 |
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Intangible assets | 11 | 894 | 894 | 834 | 834 |
| Tangible fixed assets | 12 | 190,351 | 190,351 | 144,109 | 144,086 |
| Investment Property | 12 | 0 | 0 | 1,200 | 1,200 |
| | | 191,245 | 191,245 | 146,143 | 146,120 |
| Current assets | | | | | |
| Stocks | | 223 | 205 | 230 | 213 |
| Assets held for re-sale | 12 | 1,675 | 1,675 | - | - |
| Trade and other receivables | 14 | 6,578 | 6,526 | 10,884 | 10,689 |
| Investments | 15 | 3,005 | 3,005 | 2,005 | 2,005 |
| Cash and cash equivalents | 20 | 11,429 | 10,973 | 7,351 | 7,044 |
| | | 22,910 | 22,384 | 20,471 | 19,951 |
| Less: Creditors – amounts falling due within one year | 16 | (16,618) | (16,269) | (11,462) | (11,127) |
| Net current assets | | 6,292 | 6,115 | 9,008 | 8,824 |
| Total assets less current liabilities | | 197,537 | 197,360 | 155,152 | 154,944 |
| Less: Creditors – amounts falling due after more than one year | 17 | (91,162) | (91,162) | (68,887) | (68,887) |
| Provisions | | | | | |
| Dilapidations | 19 | (1,149) | (1,149) | (1,087) | (1,087) |
| Other provisions | 19 | (468) | (354) | (803) | (720) |
| Total net assets | | 104,758 | 104,695 | 84,374 | 84,250 |
| Unrestricted reserves | | | | | |
| Income and expenditure account | | 92,645 | 92,582 | 70,415 | 70,291 |
| Revaluation reserve | | 12,113 | 12,113 | 13,959 | 13,959 |
| Total unrestricted reserves | | 104,758 | 104,695 | 84,374 | 84,250 |

The financial statements on page 38 to 71 were approved and authorised for issue by the Corporation on 04 December 2023 and were signed on its behalf on that date by:


Allan Schofield
 Chair
 04 December 2023


Ian Pryce
 Accounting Officer
 04 December 2023

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Consolidated Statement of Cash Flows

| | Notes | 2023 £'000 | 2022 £'000 |
|--|---------|-----------------|----------------|
| Cash inflow from operating activities | | | |
| Surplus for the year | 10 | 16,314 | 204 |
| Adjustment for non-cash items | | | |
| (Gain) from acquisition | 26 | (18,407) | - |
| Depreciation | 11 & 12 | 6,628 | 5,729 |
| Decrease/(increase) in stocks | | 13 | 9 |
| Decrease in debtors | 14 | 6,241 | (5,775) |
| Increase in creditors | 16 & 17 | 13,066 | 4,115 |
| Increase in provisions | | (273) | 208 |
| Pensions costs less contributions payable | 23 | 433 | 2,443 |
| Adjustment for investing or financing activities | | | |
| Investment income | 5 | (129) | (358) |
| Interest payable | 8 | 605 | 650 |
| (Profit)/Loss on sale of fixed assets | 12 | 2,685 | (34) |
| | | <u>27,176</u> | <u>7,191</u> |
| Net cash flow from operating activities | | | |
| Cash flows from investing activities | | | |
| Proceeds from sale of fixed assets | | 32 | 34 |
| Investment income | 5 | 129 | 358 |
| New/(withdrawal) of deposits | 15 | (1,000) | 1,000 |
| Payments made to acquire fixed assets | 11 & 12 | (23,382) | (10,794) |
| Cash and cash equivalents received from acquisition | 26 | 3,470 | - |
| | | <u>(20,751)</u> | <u>(9,402)</u> |
| Cash flows from financing activities | | | |
| Interest paid | 8 | (605) | (650) |
| Repayments of amounts borrowed | 16 & 17 | (1,315) | (483) |
| Capital element of finance lease rental payments | | (427) | 0 |
| | | <u>(2,347)</u> | <u>(1,133)</u> |
| Increase in cash and cash equivalents in the year | | | |
| | | <u>4,078</u> | <u>(3,344)</u> |
| Cash and cash equivalents at beginning of the year | 20 | 7,351 | 10,695 |
| Cash and cash equivalents at end of the year | 20 | 11,429 | 7,351 |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts

1 Statement of accounting Policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2021 to 2022 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The college is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

The acquisition of Central Bedfordshire College in March 2023 has been treated as acquisition accounting further details shown in note 26.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations deemed as cost at transition for certain non-current assets.

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, Bedford College Services Limited and Bedford College Professional Services Ltd and Aston Recruitment and Training Ltd. The results of subsidiaries acquired during the period are included in the consolidated income and expenditure account from the date of acquisition. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2023.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the College, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College currently has £8.452m of loans outstanding, shown in note 18, novated through the acquisition of Tresham College for Further and Higher Education in August 2018.

The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future. Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

1 Statement of accounting Policies and estimation techniques (continued)

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from OFS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the college is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is receivable.

Investment income

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

1 Statement of accounting Policies and estimation techniques (continued)

Agency arrangements

The college acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the college where the college is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Bedfordshire Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

At the year end, the initial actuarial report from the Scheme Actuary reported a net pension asset of £8.157m. When the Scheme gives rise to a potential asset position, the Governors are required to assess the basis for recognising an asset on the balance sheet against the FRS102 criteria, this being "An entity shall recognise the plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or refunds from the plan." In using the word "shall", the emphasis is placed upon the College to consider the value of such an asset, rather than whether an asset should be recognised in the first instance.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

1 Statement of accounting Policies and estimation techniques (continued)

Bedfordshire Local Government Pension Scheme (LGPS) (continued)

Accordingly, the College has considered the value at which they can benefit from either (1) refunds from the plan or (2) reduced contributions. As the College intends to continue to participate in the LGPS, the likelihood of a refund being due from the Scheme has been deemed as remote and not practically achievable. Secondly, the College has undertaken an exercise to assess the Minimum Fund Contributions (MFC) due to the Scheme in order to calculate the net present value of the asset which will be the value of a perpetuity of the future service cost minus the prevailing primary rate. The outcome of this calculation has shown that the College is unlikely to gain economic benefit from a reduction in future contributions.

Accordingly, the college has made an impairment charge on the asset reducing the net position at the year ended 31 July 2023 to £Nil. Therefore, no defined benefit pension asset has been included in the financial statements

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Intangible fixed assets

Intangible assets are capitalised at cost and are amortised over their estimated useful economic life. Purchased computer software is amortised over 4 years.

A review for impairment of intangible fixed asset is carried out annually to consider if events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that transition.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets

Land and buildings

Land and buildings inherited from the local education authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. Building improvements made since incorporation are included in the balance sheet at cost.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

1 Statement of accounting Policies and estimation techniques (continued)

Tangible fixed Assets (continued)

Freehold buildings are depreciated on a straight-line basis over their expected useful economic life to the College. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

| | |
|-------------------------|--------------------------------|
| • Freehold buildings | Over periods of 36 to 65 years |
| • Leasehold buildings | Over length of lease |
| • Building improvements | 10 years |

Freehold land is not depreciated as it is considered to have an infinite useful life.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account, and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings. The land was revalued in 2015.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis.

Buildings owned by third parties

Where land and buildings are used, but the legal rights are held by a third party, for example a charitable trust, they are only capitalised if the College has rights or access to ongoing future economic benefit. These assets are then depreciated over their expected useful economic life.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

1 Statement of accounting Policies and estimation techniques (continued)

Tangible fixed Assets (continued)

Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local education authority is included in the balance sheet at valuation.

Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life to the College of between one and three years from incorporation and is now fully depreciated. All other equipment is depreciated over its useful economic life as follows:

- | | |
|---|-----------------------------------|
| • plant machinery and general equipment | 10 years on a straight-line basis |
| • motor vehicles | 5 years on a straight-line basis |
| • computer equipment | 4 years on a straight-line basis |
| • fixtures and fittings | 10 years on a straight-line basis |

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of comprehensive Income and Expenditure. The College had no assets on finance leases as at July 2023. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term

Investments

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Asset held for re-sale

Asset held for re-sale are recognised at the lower of their carrying amount and fair value less costs to sell.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

1 Statement of accounting Policies and estimation techniques (continued)

Inventories

Inventories are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

The College's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

1 Statement of accounting Policies and estimation techniques (continued)

Provisions

Provisions are recognised when

- the college has a present legal or constructive obligation as a result of a past event
- it is probable that a transfer of economic benefit will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management has made the following judgements:

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liabilities.

Fair value adjustments have been applied in the acquisition during the year.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

2 Funding council grants

| | Year ended 31 July | | Year ended 31 July | |
|---|--------------------|---------------|--------------------|---------------|
| | 2023 | 2023 | 2022 | 2022 |
| | Group | College | Group | College |
| | £'000 | £'000 | £'000 | £'000 |
| Recurrent grants | | | | |
| Education and Skills Funding Agency - adult | 7,919 | 7,919 | 6,369 | 6,369 |
| Education and Skills Funding Agency - 16-18 | 40,711 | 40,711 | 34,918 | 34,918 |
| Education and Skills Funding Agency - Apprenticeships | (10) | (10) | 23 | 23 |
| Higher Education Funding Council | 416 | 416 | 376 | 376 |
| Total recurrent grants | 49,036 | 49,036 | 41,686 | 41,686 |
| Specific Grants | | | | |
| Education and Skills Funding Agency - other | 115 | 115 | 187 | 187 |
| Teacher Pension Scheme contribution grant | 1,209 | 1,209 | 934 | 934 |
| Releases of government capital grants | 2,827 | 2,827 | 2,241 | 2,241 |
| Total | 53,187 | 53,187 | 45,048 | 45,048 |

3 Tuition fees and education contracts

| | Year ended 31 July | | Year ended 31 July | |
|------------------------------------|--------------------|---------------|--------------------|---------------|
| | 2023 | 2023 | 2022 | 2022 |
| | Group | College | Group | College |
| | £'000 | £'000 | £'000 | £'000 |
| Adult education fees | 1,429 | 1,378 | 1,691 | 1,643 |
| Apprenticeship fees and contracts | 5,169 | 5,169 | 5,220 | 5,220 |
| Fees for FE loan supported courses | 698 | 698 | 821 | 821 |
| Fees for HE loan supported courses | 2,344 | 2,344 | 3,134 | 3,134 |
| Total tuition fees | 9,640 | 9,589 | 10,866 | 10,818 |
| Education contracts | 1,724 | 1,724 | 1,363 | 1,363 |
| Total | 11,364 | 11,313 | 12,229 | 12,181 |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

Breakdown of Recurrent grant and Tuition Fee income received for Office for Students

| | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|---|----------------------------|------------------|----------------------------|------------------|
| | Group £'000 | College £'000 | Group £'000 | College £'000 |
| Grant income from the Office for Students | 416 | 416 | 376 | 376 |
| Grant income from other bodies | 48,620 | 48,620 | 41,310 | 41,310 |
| Fee income for taught awards | 2,344 | 2,344 | 3,134 | 3,134 |
| Fee income for non-qualifying course | 7,296 | 7,245 | 7,732 | 7,684 |
| Total | 58,676 | 58,625 | 52,552 | 52,504 |
| Total recurrent grant (note 2) | 49,036 | 49,036 | 41,686 | 41,686 |
| Total tuition fees (note 3) | 9,640 | 9,589 | 10,866 | 10,818 |
| Total | 58,676 | 58,625 | 52,552 | 52,504 |

4 Other income

| | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|------------------------------------|----------------------------|------------------|-------------------------------|------------------|
| | Group £'000 | College £'000 | Group £'000 | College £'000 |
| Catering and residences | 1,158 | 1,063 | 1,380 | 861 |
| Other income generating activities | 2,206 | 1,479 | 1,926 | 1,204 |
| Other grant income | 88 | 88 | 191 | 191 |
| Total | 3,452 | 2,630 | 3,497 | 2,256 |

5 Investment income

| | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|--|----------------------------|------------------|----------------------------|------------------|
| | Group £'000 | College £'000 | Group £'000 | College £'000 |
| Other investment income | 0 | 212 | 350 | 733 |
| Other interest receivable | 129 | 129 | 8 | 8 |
| | 129 | 341 | 358 | 741 |
| Net return on pension scheme (note 23) | 32 | 32 | 0 | 0 |
| | 161 | 373 | 358 | 741 |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

6 Staff costs - Group

The average number of persons (including key management personnel) employed by the Group during the year, described as full-time equivalents, was:

| | 2023 No. | 2022 No. |
|--|---------------|---------------|
| Teaching staff | 741 | 642 |
| Non-teaching staff | 276 | 267 |
| | <u>1,017</u> | <u>909</u> |
| Staff costs for the above persons | | |
| | 2023 £'000 | 2022 £'000 |
| Wages and salaries | 32,954 | 29,703 |
| Social security costs | 2,919 | 2,582 |
| Other pension costs | 6,014 | 5,678 |
| | <u>41,139</u> | <u>38,299</u> |
| Contracted out staffing services | 417 | 378 |
| | <u>41,556</u> | <u>38,677</u> |
| Fundamental restructuring costs - | | |
| contractual | 0 | 0 |
| non-contractual | 0 | 0 |
| | <u>41,556</u> | <u>38,677</u> |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

6 Staff costs - College only

The average number of persons (including key management personnel) employed by the College during the year, described as full-time equivalents, was:

| | 2023 No. | 2022 No. |
|--------------------|-------------|-------------|
| Teaching staff | 741 | 642 |
| Non-teaching staff | 243 | 233 |
| | <u>984</u> | <u>875</u> |

Staff costs for the above persons

| | 2023 £'000 | 2022 £'000 |
|-----------------------------------|---------------|---------------|
| Wages and salaries | 31,912 | 28,532 |
| Social security costs | 2,879 | 2,543 |
| Other pension costs | 5,998 | 5,664 |
| | <u>40,041</u> | <u>37,073</u> |
| Contracted out staffing services | 290 | 378 |
| | <u>40,331</u> | <u>37,451</u> |
| Fundamental restructuring costs - | | |
| contractual | 0 | 0 |
| non-contractual | 0 | 0 |
| | <u>40,331</u> | <u>37,451</u> |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

6 Staff costs - Group and College

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and are represented by the College Leadership Team which comprises the Chief Executive, Deputy Chief Executives, Principals, Executive Directors of Apprenticeships, Digital Transformation, Human Resources, and Sales and Marketing.

Emoluments of Key management personnel, Accounting Officer and other higher paid staff

| | 2023 No. | 2022 No. |
|--|-------------|-------------|
| The number of key management personnel including the Accounting Officer was: | 10 | 8 |

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

| | Key management personnel | | Other staff | |
|----------------------|--------------------------|-------------|-------------|-------------|
| | 2023 No. | 2022 No. | 2023 No. | 2022 No. |
| £15,000 to £19,999 | 0 | 1 | 0 | 0 |
| £40,000 to £44,999 | 1 | 0 | 0 | 0 |
| £60,000 to £64,999 | 1 | 0 | 9 | 7 |
| £65,000 to £69,999 | 0 | 0 | 3 | 3 |
| £70,000 to £74,999 | 0 | 0 | 2 | 0 |
| £75,000 to £79,999 | 1 | 1 | 0 | 0 |
| £80,000 to £84,999 | 2 | 2 | 0 | 0 |
| £85,000 to £89,999 | 1 | 0 | 0 | 0 |
| £90,000 to £94,999 | 1 | 2 | 0 | 0 |
| £95,000 to £99,999 | 1 | 0 | 0 | 0 |
| £105,000 to £109,999 | 0 | 1 | 1 | 0 |
| £110,000 to £114,999 | 1 | 0 | 0 | 0 |
| £190,000 to £194,999 | 0 | 1 | 0 | 0 |
| £200,000 to £204,999 | 1 | 0 | 0 | 0 |
| | 10 | 8 | 15 | 10 |

Key management personnel emoluments are made up as follows:

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Salaries | 916 | 733 |
| Benefits in Kind | 19 | 15 |
| Pension contributions | 184 | 148 |
| | 1,119 | 896 |
| Total Key management personal emoluments | | |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

6 Staff costs - Group and College

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

| | 2023 £'000 | 2022 £'000 |
|-----------------------|---------------|---------------|
| Salaries | 178 | 174 |
| Benefits in kind | 15 | 12 |
| Pension contributions | 34 | 32 |
| | 227 | 218 |

The governing body has adopted AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles in future

The remuneration package of Key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The Principal and Chief Executive reports to the Chair of Governing Council, who undertakes an annual review of her performance against the college's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Principal's basic salary as a multiple of the median of all staff | 6.37 | 6.05 |
| Principal and CEO's total remuneration as a multiple of the median of all staff | 6.70 | 6.34 |

7 Other operating expenses

| | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|--------------------|----------------------------|------------------|----------------------------|------------------|
| | Group £'000 | College £'000 | Group £'000 | College £'000 |
| Teaching costs | 6,148 | 6,148 | 5,270 | 5,270 |
| Non-teaching costs | 5,925 | 6,560 | 5,206 | 5,707 |
| Premises costs | 6,710 | 6,580 | 4,849 | 4,730 |
| Total | 18,783 | 19,288 | 15,325 | 15,707 |

Other operating expenses include:

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Auditor's remuneration: | | |
| Financial statements audit | 70 | 54 |
| Internal audit | 37 | 40 |
| Profit/(Loss) on disposal of tangible fixed asset | (2,685) | 34 |
| Hire of assets under operating leases | 607 | 474 |
| | | |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

7a. Access and participation spending

| | Year ended 31 July 2023 College £000s | Year ended 31 July 2022 College £000s |
|-------------------------------|---|---|
| Access Investment | 228 | 223 |
| Research and evaluation | 18 | 11 |
| Disability support | 8 | 9 |
| Financial support to students | 7 | 3 |
| Total | 261 | 246 |

7b. Write offs, losses, guarantees, letters of comfort, compensation (ONS)

Following a review by the Office for National Statistics, it was formally announced, on 29 November 2022, that FE Colleges and their subsidiaries will be reclassified as forming part of central government sector.

The College is required to disclose in its annual financial accounts the value of the following transaction types during the year ending July 2023

Write off and losses - £42,272

Guarantees, letters of comfort and indemnities - £nil

Compensation payments and ex-gratia payments - £nil

8 Interest payable - Group and College

| | Year ended 31 July 2023 | | Year ended 31 July 2022 | |
|---|----------------------------|------------------|----------------------------|------------------|
| | Group £'000 | College £'000 | Group £'000 | College £'000 |
| On bank loans, overdrafts and other loans: | 605 | 605 | 650 | 650 |
| Net interest on defined pension liability (note 23) | 0 | 0 | 581 | 581 |
| Total | 605 | 605 | 1,231 | 1,231 |

9 Taxation - Group only

The College is an exempt Charity and is therefore broadly exempt from corporation tax on its activities.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

10 Surplus on continuing operations during the period

The Surplus on continuing operations for the year is made up as follows:

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| College surplus for the period | (2,033) | 155 |
| Surplus on Acquisition | 18,407 | 0 |
| (Loss)/Surplus generated by subsidiary undertakings | (60) | 49 |
| | <u>16,314</u> | <u>204</u> |

11 Intangible fixed assets (Group)

| | Total £'000 |
|---------------------------------------|----------------|
| Cost | |
| At 1 August 2022 | 1,240 |
| Additions | 170 |
| Disposals | <u>(98)</u> |
| At 31 July 2023 | <u>1,240</u> |
| Depreciation | |
| At 1 August 2022 | 406 |
| Charge for the year | 110 |
| Elimination in respect of disposals | <u>(98)</u> |
| At 31 July 2023 | <u>418</u> |
| Net book value at 31 July 2023 | <u>894</u> |
| Net book value at 31 July 2022 | <u>834</u> |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

12 Tangible fixed assets (Group)

| | Land and buildings | Equipment | Assets in the Course of Construction | Total |
|--|--------------------|---------------|--------------------------------------|----------------|
| | Freehold | | | |
| | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | |
| At 1 August 2022 | 159,132 | 20,466 | 7,026 | 186,624 |
| Additions | 279 | 1,792 | 21,141 | 23,212 |
| Transfer assets from subsidiary | 19 | (19) | - | - |
| Re-classification from assets under construction | 3,629 | 3,385 | (7,014) | - |
| Additions from Acquisition | 31,079 | 1,189 | - | 32,268 |
| Disposals | (5,173) | (4,239) | (2) | (9,414) |
| At 31 July 2023 | 188,963 | 22,576 | 21,151 | 232,690 |
| Depreciation | | | | |
| At 1 August 2022 | 30,976 | 11,539 | - | 42,515 |
| Charge for the year | 4,508 | 2,010 | - | 6,518 |
| Transfer assets from subsidiary | 19 | (19) | - | - |
| Eliminations in respect of disposals | (2,485) | (4,209) | - | (6,694) |
| At 31 July 2023 | 33,018 | 9,321 | - | 42,339 |
| Net book value at 31 July 2023 | 155,945 | 13,255 | 21,151 | 190,351 |
| Net book value at 31 July 2022 | 128,156 | 8,927 | 7,026 | 144,109 |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

12 Tangible fixed assets (College only)

| | Land and buildings | Equipment | Assets in the Course of Construction | Total |
|--|--------------------|---------------|--------------------------------------|----------------|
| | Freehold | | | |
| | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | |
| At 1 August 2022 | 159,132 | 20,137 | 7,026 | 186,295 |
| Additions | 279 | 1,792 | 21,141 | 23,212 |
| Transfer assets from subsidiary | 19 | 233 | - | 252 |
| Re-classification from assets under construction | 3,629 | 3,385 | (7,014) | 0 |
| Assets acquired from acquisition | 31,079 | 1,189 | - | 32,268 |
| Disposals | (5,173) | (4,160) | (2) | (9,337) |
| At 31 July 2023 | 188,963 | 22,576 | 21,151 | 232,690 |
| Depreciation | | | | |
| At 1 August 2022 | 30,976 | 11,233 | - | 42,209 |
| Charge for the year | 4,508 | 2,003 | - | 6,511 |
| Transfer assets from subsidiary | 19 | 222 | - | 241 |
| Elimination in respect of disposals | (2,485) | (4,137) | - | (6,622) |
| At 31 July 2023 | 33,020 | 9,320 | - | 42,339 |
| Net book value at 31 July 2023 | 155,945 | 13,255 | 21,151 | 190,351 |
| Net book value at 31 July 2022 | 128,156 | 8,904 | 7,026 | 144,086 |

Land, buildings and equipment were inherited from the local authority on 1 April 1993. Inherited land was valued at open market value for 'College' use and buildings at depreciated cost, by a firm of independent chartered surveyors. Inherited equipment is now fully written off. If inherited land had not been valued it would have been included at nil value as no consideration was paid.

On 1 August 2018 the College acquired Tresham College for Further and Higher Education. Their fixed assets have been included above based upon a valuation carried out by Lambert Smith Hampton using surveyors registered with the Royal Institution of Chartered Surveyors on a fair value existing use basis.

On 1 March 2023 the College acquired Central Bedfordshire College. Their fixed assets have been included above based upon a valuation carried out by Kirkby and Diamond using surveyors registered with the Royal Institution of Chartered Surveyors on a fair value existing use basis.

In May 2023, the College Board approved the decision to market Triumph Way, Kempston for sale. Initially valued at £1.2 million in December 2021 and classified as an investment property, the property is currently listed with an agreed selling price of £1.675 million. Consequently, Triumph Way has been re-classified as an asset held for resale.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

13 Non-current Investments

The College owns 100 per cent of the issued shares of Bedford College Services Limited, Bedford College Professional Services Limited and Aston Recruitment and Training Ltd. All companies are incorporated in England and Wales. The principal activity of Bedford College Services Limited is hospitality and leisure services. The principal activity of Bedford College Professional Services is employment services. The principal activity of Aston Recruitment and Training is the delivery of training services.

14 Trade and other receivables

| | Group 2023 £'000 | College 2023 £'000 | Group 2022 £'000 | College 2022 £'000 |
|--------------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Amounts falling due within one year: | | | | |
| Trade receivables | 1,082 | 1,082 | 2,693 | 2,578 |
| Other Debtors | 7 | 0 | 102 | 95 |
| Prepayments and accrued income | 5,489 | 5,417 | 8,089 | 8,016 |
| Total | <u>6,578</u> | <u>6,526</u> | <u>10,884</u> | <u>10,689</u> |

15 Current investments

| | Group 2023 £'000 | College 2023 £'000 | Group 2022 £'000 | College 2022 £'000 |
|---------------------|------------------------|--------------------------|------------------------|--------------------------|
| Short term deposits | 3,005 | 3,005 | 2,005 | 2,005 |
| Total | <u>3,005</u> | <u>3,005</u> | <u>2,005</u> | <u>2,005</u> |

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

16 Creditors: amounts falling due within one year

| | Group 2023 £'000 | College 2023 £'000 | Group 2022 £'000 | College 2022 £'000 |
|---|------------------------|--------------------------|------------------------|--------------------------|
| Bank loans and overdrafts | 548 | 548 | 515 | 515 |
| Payments received in advance | 679 | 679 | - | - |
| Trade payables | 2,979 | 2,968 | 932 | 911 |
| Amounts owed to group undertakings: | | | | |
| Subsidiary undertakings | - | - | - | 104 |
| Other taxation and social security | 1,401 | 1,238 | 1,135 | 941 |
| Accruals and deferred income | 6,687 | 6,612 | 6,128 | 5,988 |
| Other creditors | 224 | 124 | 213 | 129 |
| Deferred income - government capital grants | 3,918 | 3,918 | 2,432 | 2,432 |
| Amounts owed to the ESFA | 182 | 182 | 107 | 107 |
| Total | 16,618 | 16,269 | 11,462 | 11,127 |

17 Creditors: amounts falling due after one year

| | Group 2023 £'000 | College 2023 £'000 | Group 2022 £'000 | College 2022 £'000 |
|---|------------------------|--------------------------|------------------------|--------------------------|
| Bank loans | 7,904 | 7,904 | 8,452 | 8,452 |
| Deferred income - government capital grants | 83,258 | 83,258 | 60,435 | 60,435 |
| Total | 91,162 | 91,162 | 68,887 | 68,887 |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

18 Maturity of debt

(a) Loans are repayable as follows

Bank loans and overdrafts are repayable as follows:

| | Group 2023 £'000 | College 2023 £'000 | Group 2022 £'000 | College 2022 £'000 |
|----------------------------|------------------------|--------------------------|------------------------|--------------------------|
| In one year or less | 548 | 548 | 515 | 515 |
| Between one and two years | 582 | 582 | 548 | 548 |
| Between two and five years | 1,967 | 1,967 | 1,856 | 1,856 |
| In five years or more | 5,355 | 5,355 | 6,048 | 6,048 |
| Total | 8,452 | 8,452 | 8,967 | 8,967 |

Bank loans are secured upon the freehold land and buildings at the College's Windmill Avenue, Kettering campus, and it's Oakley Road, Corby campus.

The Kettering loan (£7.082m) incurs interest at rate of 6.95% and capital repayments are made over its 25-year term. It will be fully repaid in 2033.

The Corby loan (£5.232m) incurs interest at rate of 6.91% and capital repayments are made over its 25-year term. It will be fully repaid in 2036.

19 Provisions

| | Group | | |
|---|------------------------|----------------|----------------|
| | Dilapidations £'000 | Other £'000 | Total £'000 |
| At 1 August 2022 | 1,087 | 803 | 1,890 |
| Transferred from income and expenditure account | 62 | (273) | (273) |
| At 31 July 2023 | 1,149 | 468 | 1,617 |

| | College | | |
|---|------------------------|----------------|----------------|
| | Dilapidations £'000 | Other £'000 | Total £'000 |
| At 1 August 2022 | 1,087 | 720 | 1,807 |
| Transferred from income and expenditure account | 62 | (303) | (303) |
| At 31 July 2023 | 1,149 | 355 | 1,504 |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

20 Cash and cash equivalents

| | At 1 August 2022 | Cash flows | Other changes | At 31 July 2023 |
|---------------------------|---------------------|---------------|------------------|-----------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cash and cash equivalents | 7,351 | 4,077 | - | 11,428 |
| Total | 7,351 | 4,077 | - | 11,428 |

21 Capital commitments

| | Group and College | |
|--|-------------------|--------|
| | 2023 | 2022 |
| | £'000 | £'000 |
| Commitments contracted for at 31 July 2023 | 5,735 | 2,033 |
| Authorised but not contracted 31 July 2023 | 14,494 | 23,177 |

22 Lease Obligations

At 31 July the College had minimum lease payments under non-cancellable operating leases as follows:

| | Group and College | |
|---|----------------------|---------------------|
| | 2023 | 2022 |
| | £'000 | £'000 |
| Future minimum lease payments due | | |
| Land and buildings | | |
| Not later than one year | 735 | 419 |
| Later than one year and not later than five years | 2,687 | 1,532 |
| later than five years | 13,036 | 4,353 |
| | <u>16,458</u> | <u>6,304</u> |
| Other | | |
| Not later than one year | 16 | 0 |
| Later than one year and not later than five years | 29 | 0 |
| later than five years | 0 | 0 |
| | <u>45</u> | <u>0</u> |
| Total lease payments due | <u>16,503</u> | <u>6,304</u> |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

23 Retirement benefits

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Wessex Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough Council. Both are multi-employer defined-benefit plans.

Teacher Pension Scheme valuation

The Government Actuary is due to complete the TPS valuation by October 2023 with increases currently scheduled for April 2024 and with DfE promising to cover additional costs of any increase for colleges as well as schools above the amounts agreed in 2019 and paid each year since. This valuation will report on TPS as at 31 March 2020 and it might make sense to update the text below with updated figures

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was as at 31 March 2016 and of the LGPS 31 March 2019

| Total pension cost for the year | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Teachers' Pension Scheme: contributions paid | 3,392 | 2,990 |
| Other Pension Schemes | 215 | 200 |
| Local Government Pension Scheme: | | |
| Contributions paid | 1,220 | 962 |
| FRS 102 (28) charge | 465 | 1,862 |
| Charge to the Statement of Comprehensive Income | 1,685 | 2,824 |
| Enhanced pension charge to Statement of Comprehensive Income | - | - |
| Total Pension Cost for Year | 5,292 | 6,014 |

There were no outstanding or prepaid contributions at either the beginning or end of the financial year. Contributions amounting to £595,000 (2022 - £470,000) were payable to the scheme at 31 July 2022 and are included in creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

23 Retirement benefits

Teachers' Pension Scheme (continued)

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022-23 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £3,392,000 (2022: £2,990,000)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Bedford Borough Council. The total contribution made for the year ended 31 July 2022 was £1,635,000, of which employer's contributions totalled £1,192,000 and employees' contributions totalled £443,000. The agreed contribution rates for future years are 18.9 % for employers and range from 5.5% to 7.5% cent for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

| | At 31 July 2023 | At 31 July 2022 |
|--------------------------------------|-----------------|-----------------|
| Rate of increase in salaries | 2.00% | 1.65% |
| Future pensions increases | 2.85% | 2.50% |
| Discount rate for scheme liabilities | 5.15% | 3.45% |
| Inflation assumption (CPI) | 2.85% | 2.50% |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

| | At 31 July 2023 | At 31 July 2022 |
|-----------------------------|-----------------|-----------------|
| | years | years |
| Retiring today | | |
| Males | 21.10 | 21.10 |
| Females | 23.90 | 23.70 |
| Retiring in 20 years | | |
| Males | 22.10 | 21.90 |
| Females | 25.50 | 25.30 |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

23 Retirement benefits

Local Government Pension Scheme (Continued)

The College's share of the assets in the plan and the expected rates of return were:

| | Long-term rate of return expected at 31 July 2023 | Fair Value at 31 July 2023 | Long-term rate of return expected at 31 July 2022 | Fair Value at 31 July 2022 |
|---|--|----------------------------------|---|-------------------------------------|
| | | £'000 | | £'000 |
| Equities | 5.00% | 51,521 | 5.00% | 39,975 |
| Bonds | 5.00% | 14,437 | 5.00% | 15,050 |
| Property | 5.00% | 11,621 | 5.00% | 8,956 |
| Cash | 5.00% | 2,960 | 5.00% | 2,500 |
| Total market value of assets | | 80,539 | | 66,481 |
| Weighted average expected long term rate of return | 5.00% | | 5.00% | |
| Actual return on plan assets | | 1,841 | | 407 |

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Fair value of plan assets | 80,539 | 66,481 |
| Present value of plan liabilities | (72,326) | (64,913) |
| Net pensions asset as at 31 July | 8,213 | 1,568 |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

23 Retirement benefits

Local Government Pension Scheme (Continued)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Amounts included in staff costs | | |
| Current service cost | 4,740 | 2,265 |
| Past service cost | 24 | 41 |
| Total | 4,764 | 2,736 |
| | | |
| Amounts included in interests and other finance costs | | |
| Net interest (income)/costs | (32) | 581 |
| | (32) | 581 |
| | | |
| Amounts recognised in Other Comprehensive Income | | |
| Return on pension plan assets | 1,841 | 407 |
| Changes in assumptions underlying the present value of plan liabilities | 8,400 | 39,281 |
| Impairment of Assets | (6,645) | (1,568) |
| Amount recognised in Other Comprehensive Income | 3,596 | 38,120 |

Local Government Pension Scheme Actuarial Report

The actuarial report for the local government pension scheme at 31 July 2022 and 31 July 2023 shows an actuarial gain which has resulted in a pension asset at the same date.

We have not recognised the pension asset as a positive position but have instead shown a break-even position as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments.

As asset should only recognised to the extent that the College is able to recover the surplus either through reduced contributions in the future or refunds from the plan.

We have made further disclosure in the Strategic Report and in the note on judgements to adequately reflect this.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

23 Retirement benefits

Local Government Pension Scheme (Continued)

Movement in net defined benefit (liability)/asset during the year

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Surplus/(deficit) in scheme at 1 August | 1,568 | (35,677) |
| Movement in year: | | |
| Current service cost | (4,740) | (2,736) |
| Employer contributions | 1,220 | 993 |
| Past service cost | (24) | (41) |
| Net interest on the defined (liability)/asset | 32 | (581) |
| Administration expenses | (84) | (78) |
| Changes in Financial Assumptions | 20,706 | 36,000 |
| Changes in Demographic Assumptions | 1,156 | 3,718 |
| Other experience | (11,160) | (437) |
| Other actuarial gains/(losses) | (2,302) | - |
| Actuarial gain or loss | 1,841 | 407 |
| Net defined benefit (liability)/asset at 31 July | 8,213 | 1,568 |

Asset and Liability Reconciliation

| | 2023 | 2022 |
|--|---------------|----------------|
| | £'000 | £'000 |
| Changes in the present value of defined benefit obligations | | |
| Defined benefit obligations at start of period | 64,913 | 101,124 |
| Current Service cost | 1,745 | 2,736 |
| Interest cost | 2,426 | 1,658 |
| Contributions by Scheme participants | 446 | 374 |
| Changes in demographic assumptions | (1,156) | (3,718) |
| Changes in financial assumptions | (20,706) | (36,000) |
| Other experience | 17,791 | 437 |
| Estimated benefits paid | 11,160 | (1,738) |
| Past Service cost | (4,314) | 41 |
| Undefined pension payments | 24 | (1) |
| Defined benefit obligations at end of period | 72,326 | 101,124 |
| Reconciliation of Assets | | |
| Fair value of plan assets at start of period | 66,481 | 65,447 |
| Interest on plan assets | 2,458 | 1,077 |
| Return on plan assets | 1,841 | 407 |
| Other actuarial gains/(losses) | (2,302) | - |
| Administration expenses | (84) | (78) |
| Employer contributions | 1,220 | 993 |
| Contributions by Scheme participants | 446 | 374 |
| Estimated benefits paid | 14,796 | (1,739) |
| Assets at end of period | 80,539 | 65,447 |

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

24 Related party transactions

Owing to the nature of the College's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £630; 25 governors (2022: £571; 22 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2022: None).

25 Amounts disbursed as agent

Learner support funds

| | 2023 £'000 | 2022 £'000 |
|--|---------------|---------------|
| Funding body grants – 16-19 | 983 | 759 |
| Funding body grants – Advanced Learning Loans | 148 | 120 |
| Funding body grants – 19+ | 476 | 374 |
| Funding body grants – residential bursaries | 78 | 82 |
| Other Funding body grants | 131 | 129 |
| | <u>1,816</u> | <u>1,464</u> |
| Disbursed to students | (1,342) | (613) |
| Administration costs | (64) | (68) |
| | <u>410</u> | <u>783</u> |
| Balance unspent as at 31 July, included in creditors | | |

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

BEDFORD COLLEGE CONSOLIDATED ACCOUNTS

(INCORPORATING BEDFORD COLLEGE SERVICES LTD, BEDFORD COLLEGE PROFESSIONAL SERVICES LTD AND ASTON RECRUITMENT AND TRAINING LTD)

Notes to the Accounts (continued)

26 Business Combinations

On 1 March 2023 the group acquired Central Bedfordshire College for cash consideration of £0.

The investment has been accounted for under the acquisition method.

Recognised amounts of identifiable assets acquired and liabilities assumed:

| | Book value | Adjustments | | Fair Value |
|--------------------------------------|----------------------|---------------------|---------------------|----------------------|
| | | Fair Value | Accounting Policy | |
| | £000s | £000s | £000s | £000s |
| Assets | | | | |
| Tangible | 29,033 | 3,235 | 0 | 32,268 |
| Intangible | 0 | 0 | 0 | 0 |
| | <u>29,033</u> | <u>3,235</u> | <u>0</u> | <u>32,268</u> |
| Stocks | 6 | 0 | 0 | 6 |
| Debtors | 1,937 | 0 | (172) | 1,765 |
| Cash at bank and in hand | 3,470 | 0 | 0 | 3,470 |
| Total assets | <u>34,446</u> | <u>3,235</u> | <u>(172)</u> | <u>37,509</u> |
| Liabilities | | | | |
| Due within one year | (3,514) | 0 | 0 | (3,514) |
| Due in greater than one year | (12,593) | 0 | 0 | (12,593) |
| Provisions | - | (2,995) | 0 | (2,995) |
| Total identifiable net assets | <u>18,339</u> | <u>240</u> | <u>(172)</u> | <u>18,407</u> |
| Total purchase consideration | | | | 0 |
| Surplus on acquisition | | | | 18,407 |